

Senator Charles Poochigian



WORKERS' COMPENSATION CONFERENCE COMMITTEE UPDATE

NOTES FROM THE SENATE REPUBLICAN CAUCUS CHAIRMAN

"Many in the Legislature advocate for 'significant reform.' Real reform must do much more than simply averting even more increases from occurring in the future. California employers are suffering today and deserve more than just a few billion dollars in reform. This conference committee must have as its goal an \$11 billion reduction in costs to California employers."

– Senator Chuck Poochigian

The special committee on workers' compensation met this week for the first time. The six-member committee focused only on a few of the medical cost drivers in the system.

The committee was formed as a result of the exploding costs paid by California employers – businesses, non-profits, and government entities. As noted by the Workers' Compensation Insurance Rating Bureau (WCIRB), costs truly have exploded since the late 1990s – from \$6.6 billion in 1998 to projections of at least \$25 billion in 2004.

The committee heard testimony from the many "stakeholders" in the system, including attorneys, employers, medical providers, organized labor groups and insurance companies.

The focus of much of the discussion was on the cost savings which may result from any reforms that are passed by the Legislature. In fact, the Workers' Compensation Insurance Rating Bureau noted that employers will face a 12% premium increase on January 1, 2004 (the 12% figure represents an average, therefore many employers will face significantly higher rates). Clearly, the 12% reduction, advocated by some, will not

Senator Jim Brulte,
Republican Leader

Senators:

Sam Aanestad

Dick Ackerman

Roy Ashburn

Jim Battin

Jeff Denham

Dennis Hollingsworth

Ross Johnson

William J. "Pete" Knight

Bob Margett

Tom McClintock

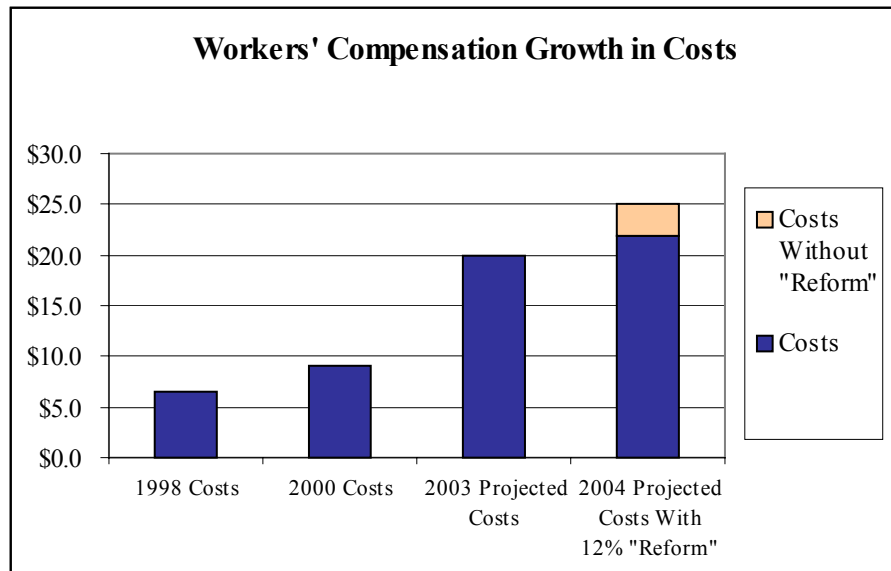
Bruce McPherson

Bill Morrow

Rico Oller

Chuck Poochigian

significantly reduce costs to the system, but merely slow the tide of increases which are expected in January.



This year's legislative session ends on September 12. The proposals of the conference committee must be reported to the full Senate and Assembly by September 8 in order for them to be passed this year.

CONTACT INFORMATION

Senator Poochigian's website can be found by visiting: <http://republican.sen.ca.gov/web/14> .

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